

Indiana Department of Revenue Contact Information

To obtain copies of forms:

*Online at www.in.gov/apps/dor/fos. **(BOOKMARK IT NOW!)**

*By e-mail, write to pfrequest@dor.in.gov.

*By FAX, dial our TaxFax at (317) 233-2329 from the handset of a FAX machine.

*By telephone, call our Forms Order Line at (317) 615-2581, or FAX a message to (317) 615-2692.

To obtain copies of departmental notices, information bulletins and other administrative pronouncements:

www.in.gov/dor/reference.

For refund information:

Call our Automated Taxpayer Information System (and press "1" in response to instructions given) from a touch tone telephone: (317) 233-4018 between 8:00 A.M. Monday - 10:00 P.M. Saturday.

Or, visit our Refund Status Service online from our home page at <https://secure.in.gov/apps/dor/tax/refund>

Other taxpayer services:

To speak with a taxpayer assistant regarding individual income taxes, call our Taxpayer Services Division at (317) 232-2240 (7:15 A.M. - 11:15; 12:30 - 4:15 P.M.).

For corporate tax questions, call (317) 615-2662.

The Indianapolis Walk-In Assistance Center is open 7:15 A.M. - 4:15 P.M.; the other 11 District Offices are open 8:00 A.M. - 4:30 P.M.

For the telephone numbers of Taxpayer Assistance regarding specific tax types, go to: www.in.gov/dor/taxtypes/contact.html.

To contact Taxpayer Assistance by e-mail by specific tax type, go to: www.in.gov/dor/contact/email.html.

To obtain Post Office box numbers by specific tax type, go to: www.in.gov/dor/taxforms/po-boxes.html

To obtain the locations of the Department and its District Offices, go to www.in.gov/dor/contact/district.html.

Motor Carrier Services, (317) 615-7200, www.in.gov/dor/mcs.

Indiana Department of Revenue, Motor Carrier Services Division, 5252 Decatur Boulevard, Suite R, Indianapolis, IN 46241

24-HOURS-A-DAY, SEVEN-DAYS-A-WEEK INTERNATIONAL REGISTRATION PLAN TRANSACTIONS CAN NOW BE CONDUCTED ONLINE!

Commercial Drivers License, (317) 615-7335; IRP, (317) 615-7340; Indiana State Police, (317) 615-7373; Oversize/Overweight Vehicle Permitting, (317) 615-7320; Motor Carrier Fuel Tax/IFTA, (317) 615-7345; Operating Authority, (317) 615-7290; Oversize/Overweight Insurance, (317) 615-7349; Superload Permits, (317) 615-7325.

Indiana Department of Revenue
Public Affairs Division
100 N. Senate Avenue
Indianapolis, IN 46204

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Courtesy of the
Indiana Department
of Revenue

Visit the department
on the Internet at:
www.in.gov/dor

Tax Practitioners Hotline Reminder

Call 317-233-4017 or 800-462-6320 (dial '4367' after hearing two beeps) to reach our Tax Practitioner's Hotline.

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New Link for Military Issues

The Indiana Department of Revenue has special information on its web site (www.in.gov/dor) for military personnel serving on active duty, such as special deductions and credits.



For instance, Indiana piggybacks federal filing dates, including extensions for military personnel serving in combat zones. Those filing returns under these circumstances need to write 'Combat Zone' at the top of their tax returns and mail them to: Indiana Dept. of Revenue, P.O. Box # 2305, Indianapolis, IN 46206-2305.

¿Habla usted español? (Do You Speak Spanish?)

Now taxpayers can get assistance in Spanish when calling the Department's Taxpayer Services Division (317-232-2240). They will be prompted in Spanish to press "2" and will then be connected with a Spanish-speaking representative or given the option of leaving a message, if all representatives are busy. They may also visit the main branch in downtown Indianapolis (Indiana Government Center North) in person.

89 Down, 3 to Go!

Jefferson County, Indiana, is the newest county to adopt a county tax, effective July 1, 2004.

Lake, Posey and Sullivan Counties are the only remaining counties with no county tax.

Free Online Ordering for Taxable Year 2004 Forms

<http://secure.in.gov/apps/dor/fos>

*Order more than ten of any form online NOW!

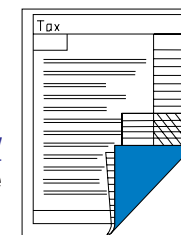
*Traditional paper forms are being mailed out at the normal time this year.

*Tax professionals with current accounts and those establishing new accounts may use the new system.

*Watch your mailbox for more information.

*Traditional forms ordering methods will still be available and orders of 10 or fewer forms should still be downloaded from the Department's web site: www.in.gov/dor/taxforms/index.html. **2004 individual and corporate forms have already been posted.**

*FOR-1 forms for ordering were mailed to tax professionals and again are included in this year's tax school packets.



Other Adjustments to Income for 2004: Section 179 and Bonus Depreciation

What constitutes the amount to add back on the "other income" line?

The entry line for adjusted gross income that constitutes taxable "other income" combines two specific adjustments. The items to add back are **Internal Revenue Code (IRC) Section 168(k) special (bonus) depreciation deduction**, and the portion of **IRC Section 179 first-year depreciation allowance** used to expense capital purchases that are in excess of the 2003 limits as recognized for Indiana tax purposes. If either item is deducted on the federal return, you must refigure on the Indiana return the basis of qualified property and the depreciation allowances for the year of purchase and in later years, as a result of additional first-year depreciation deduction, until the property is sold.

At this writing, the **net amount** of adjustment is the total of these add backs **less** the additional amount of depreciation beyond what would regularly be allowed for federal purposes computed on the remaining stepped-up basis of qualifying property for the 2004 taxable year. To the extent the federal allowances mentioned above are not added back when filing an Indiana return and the state *remains nonconforming in those provisions*, the Indiana return must be corrected by filing an amended return.

Also, use this "other income" line to adjust the Indiana return if you are applying other provisions from **The Jobs and Growth Tax Relief Reconcilia-**

tion, The Military Family Relief Act(s) of 2003, The American Jobs Creation, or The Working Families Tax Relief Act(s) of 2004 that affect federal adjusted gross income. None of these Acts has yet been adopted for computing 2004 Indiana adjusted gross income.

For example, if IRC Section 179 deduction is elected on business equipment acquired during 2004 costing \$200,000, the capital expensing deduction is \$100,000 with a remaining basis of \$100,000. An additional 50% bonus depreciation of \$50,000 is elected, leaving a basis of \$50,000 for a five-year Modified Accelerated Cost Recovery System (MACRS) property (half-year convention) depreciation deduction of 20% (\$10,000). Total amount of deduction is \$160,000.

Currently for state purposes, the total IRC Section 179 deduction is generally limited to \$25,000, thus the \$75,000 excess amount must be added back along with the bonus depreciation. These adjustments result in a stepped-up basis of \$175,000 on which to figure applicable first-year MACRS property depreciation deduction of 20% (\$35,000) for 2004. The difference of \$25,000 above what was already deducted under the General Depreciation System (GDS) is excludable from the amount to be added back. The net amount of add-back is thus: [\$75,000 + \$50,000] - \$25,000 = \$100,000.

Also, refer to Commissioner's Directive 19 on our web site (www.in.gov/dor) for related information.

Form ST-103MP Has Been Revised

The Indiana Metered Pump Sales and Use Tax Return (Form ST-103MP) has been revised by the Department.

It should be noted that Bulk Fuel Distributors must complete Chart 1 (on the back of the form) in order to receive their prepaid credit and refund. Filing the ST-103MP is the only *automated* way bulk fuel distributors can receive a refund.

New Tax Liability Credits

Blended Biodiesel Tax Credits – Form BD-100

Citations affected: IC 6-3.1-27. Effective: January 1, 2004, HEA 1001-2003 SECTIONS 199.

Coal Combustion Product Tax Credit -- Form CCP100

Citations affected: IC 6-3.1-25.2. Effective: January 1, 2004, SEA 417-2003 SECTION 2.

Ethanol Production Tax Credit – Form EP-100

Citations affected: IC 6-3.1-28. Effective: January 1, 2004, HEA 1001-2003 SECTION 200.

Hoosier Business Investment Tax Credit

Citations affected IC 6-3.1-26. Effective July 1, 2003, HEA 1001-2003, SECTION 197.

Venture Capital Investment Tax Credit

Citations affected: IC 6-3.1-24. Effective: July 1, 2002 and January 1, 2003, HEA 1001(ss)-2002 and SEA 386-2003, SECTIONS 1-8.

Homeowner's Property Tax Deduction Clarification

Several Indiana counties did not issue property tax statements during 2003 (imposed for the March 1, 2002 and January 15, 2003 assessment dates), due to complexities arising from the statewide property tax reassessment.



With certain restrictions, those Indiana homeowners who paid during 2004 the property taxes normally due in 2003 are eligible to deduct some or all of these taxes on their 2004 individual income tax return. See the worksheet on page 11 of the 2004 IT-40 instruction booklet for more information.



In January 2005, the Indiana Department of Revenue will implement INtax:

- Allows businesses to file and pay their sales taxes online
- Allows businesses to file and pay their withholding taxes online
- Allows businesses to view accounts directly and securely online
- Sends a confirmation of payments and returns
- Allows businesses to schedule payments or establish automatic debits
- INtax accounts may be monitored online
- INtax is a secured site with password protection

Important Charity Gaming Updates

On August 9, 2004, Judge Dryer of the Marion Superior Court issued an order enjoining the Department of Revenue from enforcing two regulations – 45 IAC 18-3-7 and 45 IAC 18-3-8 – governing charity gaming licensees' "use of proceeds."

On October 4, 2004, the Marion County Superior Court issued an "Order on Motion to Clarify Final Order Granting Plaintiff's Motion for Summary Judgment and Permanent Injunction" in which the Court "permanently enjoined [the Department] from enforcing any part of the rules adopted in LSA Doc. #02-40(F).

"The Department did not become aware of the Court's latest Order until October 8, 2004. The Department filed an appropriate motion to reconsider with the Court. In the meantime, the Department will honor the Court's latest Order and will not enforce any of the rules adopted in LSA Doc. #02-40(F) until the litigation in this matter has been completed.

Gross Income Tax Repeal: Clarifications to Filing Status

Homeowners Associations must file federal Form 1120, if they fail to elect and timely file federal Form 1120-H. They continue to file state Form IT-20.

REMC's (Rural Electric Membership Cooperatives) filing federal information Form 990 do *not* file state Form IT-20. However, if federal Form 990-T is filed to report unrelated business income, state **Form IT-20NP** must also be filed. This is in addition to Form URT that is used to report any Indiana Utility Receipts Tax liability they may have.

ST-103 Has New Look Tire Fee Line Removed

The ST-103 Sales and Use Tax Return has changed to reflect the adoption of streamline sales tax. The Tire Fee line has been removed and a separate form has been developed to report this fee. The purchases and exempt purchases lines have been removed. Taxpayers will calculate the use tax due and put the result on line 6 of the new form.

With the redesign of the form the template is no longer needed, and all instructions will be included in the mailing. Coupons for monthly filers will be mailed six (6) months at a time. This biannual mailing will reduce postage cost and will update the Department's records regarding businesses which open and or close throughout the year.

Remember the INtax program allows all returns and payments to be completed online.

Recent Administrative Pronouncements

COMMISSIONER'S DIRECTIVES
www.in.gov/dor/reference/comdir/index.html

#16 - New or Replacement Tires on Motor Vehicles, December 2004

AUDIT-GRAMS
www.in.gov/dor/reference/comdir/index.html

#2-036 - Restaurant Utility Exemptions, January 4, 2005

No new Departmental Notices, Income or Sales Tax Information Bulletins or Tax Policy Directives.